

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING
ELECTIONS, UNIT: V-3808

DOCKET NO. VG0B-98/0421-0664

(hereinafter "Subject Drilling Unit")

REPORT OF BOARD

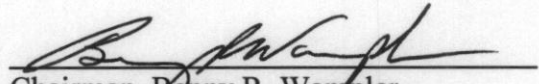
FINDINGS AND ORDER

1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992, at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirement of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70C by supplementing the Order previously issued by the Board for subject Docket on July 7, 1998, and recorded at Instrument # 980003576 in the Office of the Clerk of Circuit Court, Wise County, Virginia on July 16, 1998 (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interest in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 et seq., Virginia Code, 1950 as amended.
2. Findings: The Board finds that:
 - (a) The Board Order directed Equitable Resources Energy Company, (herein the Designated Operator"), to mail copies of the Board Order to all respondents whose interest, if any, were pooled by said Board Order;
 - (b) The designated operator filed its affidavit of mailing dated July 24, 1998, disclosing that it had mailed a correct copy of the Board's Order to all Respondents whose interest, if any, were pooled by said Board Order;
 - (c) The Board Order required each Respondent whose interest, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated August 28, 1998, in accordance with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-160.70C (herein "Affidavit

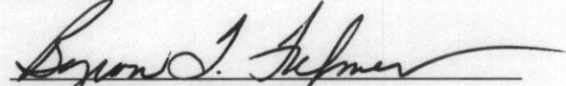
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- (d) of Election”), wherein it has, for each Respondent whose interest, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board’s Order, to have leased all their rights, title, interest, estates and claims in Subject Drilling Unit to the Designated Operator;
 - (d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein “Statement of Interests”); that the Designated Operator furnished said Statement of Interests as part of its Affidavit of Election. A copy of which is attached hereto as Exhibit B.
 - (e) Current Board standards requiring the escrow of funds and the Board’s agreement with its Escrow Agent, First Virginia Bank- Mountain Empire, P.O. Box 1038, Abingdon, Virginia 24212, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow. Current Board escrow standards were made applicable to Subject Drilling Unit by a Board Order dated December 23, 1992.
3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, First Virginia Bank-Mountain Empire, Trust Department, P.O. Box 1038, Abingdon, Virginia 24212, or any successor named by the Board to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in said affidavits to receive such funds and account to the Board therefore.
 4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that true and correct copy of this Order to each person whose interest or claim is subject to escrow and whose address is known.
 5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
 6. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 8th day of December, 1998 by a majority of the Virginia Gas and Oil Board.

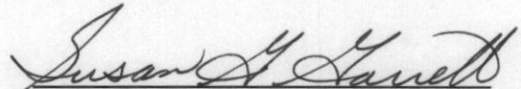

Chairman, Benny R. Wampler

DONE AND PERFORMED THIS 9th day of December, 1998, by Order of this Board.


Byron Thomas Fulmer
Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF WISE)

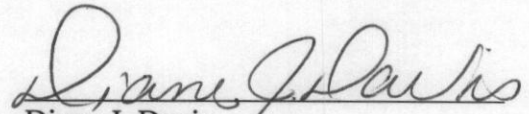
Acknowledged on this 8th day of December, 1998, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Susan G. Garrett
Notary Public

My commission expires 7/31/98

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 9th day of December 1998, personally before me a notary public in and for the Commonwealth of Virginia, appeared Byron Thomas Fulmer, being duly sworn did depose and say that he is Principal Executive to the Staff Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Diane J. Davis
Notary Public

My commission expires: 9/30/2001

VIRGINIA:***BEFORE THE VIRGINIA GAS AND OIL BOARD***

IN RE: Application of Equitable Resources Energy Company, Eastern Region for Forced Pooling of Interests in Unit Number V-3808, VGOB Docket No. VGOB-98/0421-0664 in the Lipps Magisterial District of Wise County, Virginia.

AFFIDAVIT OF WILHOIT & KAISER, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER

James E. Kaiser (herein Affiant), being first duly sworn on oath, deposes and says:

1. That the Affiant is an attorney in the law firm of WILHOIT & KAISER, the Agent for the Designated Operator, with offices located at 155 Shelby Street, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on July 7, 1998, by the Virginia Gas and Oil Board regarding the captioned coalbed methane Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
3. That within seven (7) days of the receipt of an executed copy of the Order referred to at Paragraph 2. above, the Affiant was directed to cause a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who are added as Respondents at the hearing held in the captioned matter;
4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date said Order was recorded in the county above named; that said Order was recorded on July 16, 1998.
5. That the Designated Operator, by and through their agent, Wilhoit & Kaiser, Attorneys-at-Law, have established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interest have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to Subject Unit; that the following persons delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day election periods:

NONE
6. That the interest and/or claims of the following persons (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and

the Code of Virginia; that opposite the name of each person named as a Respondent listed below is set forth:

NONE

7. That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator with regard to their interest and/or claims which are not subject to escrow:

| <u>Tract</u> | <u>Name</u> | <u>Lease Number</u> |
|--------------|---|---------------------|
| 8 | Orbin Harvey, Jr. and Jennifer Harvey, H/W | 245317L 19 |

8. That the following persons have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective interests shall be deemed to have leased pursuant to and in accordance with paragraphs 10 of the Order.

| <u>Tract</u> | <u>Name</u> | <u>Cash Consideration</u> |
|--------------|--------------------------|------------------------------|
| 7 | Lou Venie Younce, single | 21.31 Acres x \$5 = \$106.55 |

That pursuant to the provision of 4VAC 25-160.70C annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth that the services of the Escrow Agent are not required in this matter pursuant to the terms of §§ 45.1-361.21.D.

Dated at Kingsport, Tennessee, this 28th day of August 1998.

James E. Kaiser
Affiant

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of Equitable Resources Energy Company, a corporation, on behalf of the corporation, this 28th day of August 1998.

My commission expires: July 31, 2001

Jamie E. Fuller
Notary

EXHIBIT "B"
V-3808
VGOB/98/04/21-0664

| <u>TRACT</u> | <u>LESSOR</u> | <u>LEASE STATUS</u> | <u>INTEREST WITHIN UNIT</u> | <u>GROSS ACREAGE IN UNIT</u> | <u>NET REVENUE INTEREST</u> |
|--------------|--|------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| 1 | Addington, Inc. c/o Pine Mountain Oil & Gas, Inc. P. O. Box 5100 Lebanon, VA 24266 | Leased-EREC 241640L01 T2-251 | 52.710000% | 59.4000 | 0.06588750 RI |
| | Equitable Resources Energy Company | | | | 0.46121250 WI |
| | Tract 1 Totals | | 52.710000% | 59.4000 | 0.52710000 |
| 2 | Equitable Resources Energy Company Eastern Region P. O. Box 1983 Kingsport, TN 37662-1983 | Leased-EREC 241709L01 | 15.620000% | 17.6000 | 0.01952500 RI |
| | Equitable Resources Energy Company | | | | 0.13667500 WI |
| | Tract 2 Totals | | 15.620000% | 17.6000 | 0.15620000 |
| 3 | Anne R. Fleming Kilgore, a widow P. O. Box 123 Coeburn, VA 24230 | Leased-EREC 223311L01 | 4.290000% | 4.8400 | 0.00536250 RI |
| | Equitable Resources Energy Company | | | | 0.03753750 WI |
| | Tract 3 Totals | | 4.290000% | 4.8400 | 0.04290000 |
| 4 | Equitable Resources Energy Company Eastern Region P. O. Box 1983 Kingsport, TN 37662-1983 | Leased-EREC 241709L01 | 1.790000% | 2.0100 | 0.00223750 RI |
| | Equitable Resources Energy Company | | | | 0.01566250 WI |
| | Tract 4 Totals | | 1.790000% | 2.0100 | 0.01790000 |

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|--------------|--|---------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| 5 | Anne R. Fleming Kilgore, a widow P. O. Box 123 Coeburn, VA 24230 | Leased-EREC 223311L01 | 0.590000% | 0.6500 | 0.00073750 RI |
| | Equitable Resources Energy Company | | | | 0.00516250 WI |
| | Tract 5 Totals | | 59.000000% | 0.6500 | 0.00590000 |
| 6 | Anne R. Fleming Kilgore, a widow P. O. Box 123 Coeburn, VA 24230 | Leased-EREC 223311L01 | 1.070000% | 1.2100 | 0.00133750 RI |
| | Equitable Resources Energy Company | | | | 0.00936250 WI |
| | Tract 6 Totals | | 1.070000% | 1.2100 | 0.01070000 |
| 7 | Lou Venie Younce, single RR 3, Box 963 Coeburn, VA 24230-9210 | Deemed Leased | 18.910000% | 21.3100 | 0.02363750 RI |
| | Equitable Resources Energy Company | | | | 0.16546250 WI |
| | Tract 7 Totals | | 18.910000% | 21.3100 | 0.18910000 |
| 8 | <u>Heirs of Emmett and Vesta Harvey</u> | | | | |
| | Leon Harvey, single P. O. Box 3991 Wise, VA 24293 | Leased-EREC 245317L02 | 0.456364% | 0.5155 | 0.00057046 RI |
| | Dora Brummett and Joseph Brummett, W/H 143 Elm Ave. Coeburn, VA 24230 | Leased-EREC 245317L 12 | 0.456364% | 0.5155 | 0.00057046 RI |

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|--------------|--|--------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | Anna Lou Smith and John Smith, Jr., W/H 194 Elm Ave. Coeburn, VA 24230 | Leased-EREC 245317L01 | 0.456364% | 0.5155 | 0.00057046 RI |
| | Lucille Beavers and Preston Beavers, W/H PO Box 5 Castlewood, VA 24224 | Leased-EREC 245317L13 | 0.456364% | 0.5155 | 0.00057046 RI |
| | Lilly Jacobs and Willie Jacobs, W/H 195 Elm Ave. Coeburn, VA 24230 | Leased-EREC 245317L03 | 0.456364% | 0.5155 | 0.00057046 RI |
| | Elsie Cook, widow Box 717 Coeburn, VA 24230 | Leased-EREC 245317L14 | 0.456363% | 0.5155 | 0.00057045 RI |
| | Thomas Harvey and Hellen Harvey, H/W 206 Sandusky Ave. Sandusky, OH 44870 | Leased-EREC 245317L15 | 0.456363% | 0.5155 | 0.00057045 RI |
| | Danny Harvey and Wanda Harvey, H/W 134 East Cayuga Trail Sandusky, OH 44870 | Leased-EREC 245317L16 | 0.456363% | 0.5155 | 0.00057045 RI |
| | Rethea Younce, widow 208 Farview Ave. Crystal Rock Sandusky, OH 44870 | Leased-EREC 245317L07 | 0.456363% | 0.5154 | 0.00057045 RI |
| | Donald Harvey and Janice Harvey, H/W 7353 State Rd. 412 Clyde, OH 43410 | Leased-EREC 245317L05 | 0.065195% | 0.0736 | 0.00008149 RI |

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|--------------|--|--------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | Wilma Vice and James Vice, W/H 247 Plymouth St., Box 36 Plymouth, OH 44865 | Leased-EREC 245317L11 | 0.065195% | 0.0736 | 0.00008149 RI |
| | Glenn Harvey and Pat Harvey, H/W 120 Meadow Lane Sandusky, OH 44870 | Leased-EREC 245317L06 | 0.065195% | 0.0736 | 0.00008149 RI |
| | Katie Nutter, single 909-1/2 1st St. Sandusky, OH 44870 | Leased-EREC 245317L09 | 0.065195% | 0.0736 | 0.00008149 RI |
| | Kenneth Harvey and Janet Harvey, H/W 863 Peru Oligna Rd. #35 Norwalk, OH 44857 | Leased-EREC 245317L10 | 0.065195% | 0.0736 | 0.00008149 RI |
| | Roger Harvey and Kathy Harvey, H/W 5761 Townsend County Rd. 237 Lot 119 Clyde, OH 43410 | Leased-EREC 245317L04 | 0.065195% | 0.0736 | 0.00008149 RI |
| | Sam Harvey and Margaret Harvey, H/W 1306 Stone St. Sandusky, OH 44870 | Leased-EREC 245317L17 | 0.065195% | 0.0736 | 0.00008149 RI |
| | Orbin Harvey, Jr. and Jennifer Harvey, H/W 224 Columbus Ave. Crystal Rock Sandusky, OH 44870 | Leased-EREC 245317L19 | 0.152121% | 0.1718 | 0.00019015 RI |
| | Helen Crawford and Mike Crawford, W/H P. O. Box 325 Castlewood, VA 24224 | Leased-EREC 245317L18 | 0.152121% | 0.1718 | 0.00019016 RI |

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|--|--------------------------|-------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| Joyce Duff and and Dennis Duff, W/H Rt. 8, Box 34A Manchester, KY 40962 | Leased-EREC 245317L08 | 0.152121% | 0.1718 | 0.00019016 RI | |
| Equitable Resources Energy Company | | | | 0.04392500 WI | |
| Tract 8 Totals | | 5.020000% | 5.6700 | 0.05020000 | |
| TOTAL UNIT | | 100.000000% | 112.6900 | 1.00000000 | |

INSTRUMENT #980006204
 RECORDED IN THE CLERK'S OFFICE OF
 WISE COUNTY ON
 DECEMBER 14, 1998 AT 01:23PM
 J. JACK KENNEDY, JR., CLERK

BY: 

(DC)